

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2022 Second Round

December 28, 2022

Piper Way Senior Housing, located at 3592 Placer St. in Redding, requested and is being recommended for a reservation of \$2,210,802 in annual federal tax credits and \$4,179,418 in total state tax credits to finance the new construction of 59 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Christian Church Homes and will be located in Senate District 1 and Assembly District 1.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) and Community Development Block Grant – Disaster Recovery Multifamily Housing Program (DR-MHP) programs of HCD.

Project Number CA-22-064

Project Name Piper Way Senior Housing
Site Address: 3592 Placer St.
Redding, CA 96001 County: Shasta
Census Tract: 106.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,210,802	\$4,179,418
Recommended:	\$2,210,802	\$4,179,418

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Applicant Information

Applicant: Piper Way Senior Housing LP
Contact: Jevon Allen
Address: 1855 Olympic Blvd. Suite 300
Walnut Creek, CA 94596
Phone: 510-746-4222
Email: jallen@cchnc.org

General Partner(s) / Principal Owner(s): PWS Housing, LLC
General Partner Type: Nonprofit
Parent Company(ies): Christian Church Homes
Developer: Christian Church Homes
Investor/Consultant: Community Economics
Management Agent(s): Christian Church Homes

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 60
No. & % of Tax Credit Units: 59 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project Based Vouchers (59 Units - 100%)

Information

Set-Aside: Nonprofit (qualified nonprofit organization)
Housing Type: Seniors
Geographic Area: Northern Region
CTCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	6	10%
At or Below 45% AMI:	18	30%
At or Below 50% AMI:	18	30%
At or Below 60% AMI:	17	25%

Unit Mix

59 1-Bedroom Units
<u>1 2-Bedroom Units</u>
60 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$447
18 1 Bedroom	45%	\$670
18 1 Bedroom	50%	\$745
17 1 Bedroom	60%	\$894
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,023,393
Construction Costs	\$21,299,004
Rehabilitation Costs	\$0
Construction Contingency	\$2,458,940
Relocation	\$0
Architectural/Engineering	\$1,868,800
Const. Interest, Perm. Financing	\$1,918,643
Legal Fees	\$100,000
Reserves	\$307,971
Other Costs	\$1,200,723
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$33,377,474

Residential

Construction Cost Per Square Foot:	\$423
Per Unit Cost:	\$556,291
True Cash Per Unit Cost*:	\$524,073

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo	\$20,274,561	Wells Fargo	\$1,971,000
CDBG (DR-MHP)	\$2,000,000	CDBG (DR-MHP)	\$2,000,000
FHLB AHP	\$885,000	HCD - NPLH	\$1,094,849
Land Donation	\$1,198,000	FHLB AHP	\$885,000
Sponsor Loan	\$2,000,000	Land Donation	\$1,198,000
General Partner Equity	\$100	Sponsor Loan	\$2,000,000
Tax Credit Equity	\$5,050,584	General Partner Equity	\$100
		Deferred Developer Fee	\$735,112
		Tax Credit Equity	\$23,493,413
		TOTAL	\$33,377,474

*Less Donated Land, Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$24,564,470
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$24,564,470
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,210,802
Total State Credit:	\$4,179,418
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Economics
Federal Tax Credit Factor:	\$0.91143
State Tax Credit Factor:	\$0.80000

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	38.519%
CTCAC Final:	28.093%

Significant Information / Additional Conditions

The applicant’s estimate of contractor profit, overhead and general requirement costs exceeds CTCAC limit of 14%. The applicant is cautioned that at final review, prior to the issuance of the IRS 8609 forms, any costs or eligible basis that exceeds the limits will not be allowed.

The applicant’s estimate of the 3-month operating reserve shown in the Sources and Uses Budget is below CTCAC’s minimum. Pursuant to CTCAC Regulations 10327(a), the shortage of sources for the 3-month operating reserve is within the 50% limit of contingency allowed by CTCAC to be deemed an application error which shall be covered by the project’s contingency line item. The applicant must correct the 3- month operating reserve in the readiness submission

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Redding, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ¼ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.